

Direct Testimony

Of

Cheri Harden

Rates Department

Financial Analysis Division

Illinois Commerce Commission

Ameren Illinois Company

Rate MAP-P Modernization Action Plan - Pricing Annual Update Filing

Docket No. 20-0381

June 25, 2020

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1   **Q.    Would you please state your name and business address?**

2    A.    My name is Cheri Harden.  My business address is 527 East Capitol Avenue,  
3       Springfield, Illinois 62701.

4  
5   **Q.    By whom are you employed and in what capacity?**

6    A.    I am employed by the Illinois Commerce Commission ("Commission") as a Rate  
7       Analyst in the Rates Department of the Financial Analysis Division.  My  
8       responsibilities include rate design and cost of service analyses for electric, gas,  
9       sewer and water utilities and the preparation of testimony on rates and rate-related  
10      matters.

11  
12   **Q.    Please briefly state your qualifications.**

13   A.    My experience includes almost twenty years of employment at the Commission  
14      where I have provided testimony and performed related ratemaking tasks.  My  
15      testimony has addressed cost of service, rate design and various tariff issues that  
16      concern electric, gas, sewer and water utilities.

17  
18      Previously, I worked for the Wyoming Public Service Commission for almost seven  
19      years.  The last two positions I held with the Wyoming Public Service Commission  
20      were as the Consumer Services Coordinator and as a Rate Analyst.  I graduated  
21      from the University of Maryland in 1993 with a Bachelor of Science degree in  
22      Management Studies.

23

24 **Q. What is the purpose of your direct testimony?**

25 A. The purpose of my testimony is two-fold:

26 1) To present the results of my review of the compliance tariffs Ameren  
27 Illinois Company ("Ameren" or the "Company") provided in this  
28 proceeding, as ordered by the Commission in Docket No. 19-0877,  
29 the Company's most recent revenue-neutral rate design  
30 investigation ("RDI") pursuant to 16-108.5(e) of the Public Utilities  
31 Act ("Act"); and

32

33 2) To assess whether the cost of service study and the rate design  
34 proposed by Ameren in this proceeding are consistent with the cost  
35 of service study and the rate design approved by the Commission in  
36 Docket No. 19-0877.

37

38 **Q. Are you including any schedules or attachments with your direct testimony?**

39 A. No, I am not including any schedules or attachments to my direct testimony.

40

41 **Q. Please summarize your conclusions.**

42 A. I confirm that the tariffs Ameren provides in Schedule E-1 are acceptable and  
43 comply with the Commission's final Order in Docket No. 19-0877. I recommend  
44 the Commission accept Ameren Schedule E-1, in this Docket, as tariff changes  
45 that were approved in Docket No. 19-0877.

46

I also recommend the cost of service study and the rate design proposed by the Company in this proceeding be used to determine the authorized rates based on the revenue requirement approved by the Commission in this Docket.

Tariffs

**Q. Please explain how Docket No. 19-0877 is related to this proceeding.**

A. On August 16, 2019, the Company filed tariff sheets in accordance with Section 16-108.5(e) of the Act for the Commission to consider revenue-neutral tariff changes related to the rate design of the Company's performance-based rate tariff. The Commission suspended the tariffs and the matter was docketed as Docket No. 19-0877. The resulting changes ordered by the Commission in the RDI proceeding will be made at the same time that new rates take effect following the Commission's next formula rate update order pursuant to Section 16-108.5(d) of the Act, which is this Docket. The rate design approved by the Commission in the RDI proceeding will take effect on the first day of the January 2021 billing period pursuant to Section 16-108.5(d)(2) of the Act after the conclusion of this Docket.

**Q. Does the Company propose tariff changes that are related to the RDI proceeding?**

A. Yes. Company witness Victoria A. Kilhoffer discusses the compliance filing that the Company was directed to make from the RDI proceeding related to delivery service ("DS") charges. She states:

Yes. In the Findings and Ordering Paragraphs of the Final Order in Docket No. 19-0877, the Commission orders in Paragraph 5 that "Ameren Illinois Company d/b/a Ameren Illinois is directed to make a compliance filing consistent with the conclusions herein with its next formula rate update filing or electric delivery service general rate case filing, referring back to compliance with Docket No. 19-0877 and Staff shall review the filing to confirm compliance". The compliance filing includes tariff modifications consistent with the Commission's [sic] conclusions in that proceeding. As such, I am sponsoring tariff changes to Rate DS-2 Small General Service, Rate DS-3 General Delivery Service, Rate DS-4 Large General Delivery Service, and Rate-DS-6 Temperature Sensitive Delivery Service. The revisions to DS-2, DS-3, DS-4 and DS-6 tariffs are being made to reflect the consolidation of multiple Meter Charges into a single Meter Charge for each DS rate classification. In addition, both DS-3 and DS-4 had a Rate Limiter provision that expired in January 2018. The tariff revisions in those rate classifications eliminate the Rate Limiter provisions since it is no longer applicable. Finally, in the DS-3 tariff under Power and Energy Charges, a paragraph that allowed customers with a demand less than 400kW to purchase power and energy from the Company under Rider BGS through April 2014 has been eliminated. Since this provision expired in 2014, the paragraph is no longer necessary. The aforementioned tariff revisions, which were approved by the Commission in Docket No. 19-0877 are shown in redline form in Ameren Exhibit 8.5. As stated above, I also sponsor Schedules E-1 (Proposed Tariff Sheets) and E-2 (Proposed Revisions to Existing Tariff Sheets), which accompany the annual formula rate update filing in accordance with 83 Ill. Adm. Code Section 285.5010 and 96 285.5015. The Company will file these tariff sheets along with other compliance documents at the conclusion of this proceeding.

(Ameren Ex. 8.0, 4-5.)

**Q. Does the Company propose any other tariff changes in this formula rate update Docket?**

**A.** No. Ms. Kilhoffer states:

The only tariff changes Ameren Illinois is proposing in this proceeding are those required to comply with the Commission's Final Order in Docket No. 19-0877.

(Ameren Ex. 8.0, 5.)

However, Ms. Kilhoffer notes earlier in her testimony that new informational sheets will be necessary and I will discuss this later in my testimony. Id. at 3.

**Q. Have you reviewed the tariff changes related to the RDI proceeding that have been filed in this Docket?**

A. Yes. I have reviewed Ameren Schedules E-1 and E-2 as well as Ms. Kilhoffer's redline version of the tariffs that is attached to her testimony as Ameren Exhibit 8.5, which is a duplicate of Schedule E-2. These schedules and exhibit match the tariff changes that were previously discussed by Staff witness Thomas Regan in the RDI proceeding and I adopted his testimony as that docket proceeded. The Company proposed tariff changes to accomplish three things in the RDI proceeding.

First, Ameren proposed to eliminate the language "at the meter voltage" in the Meter Charge descriptions for DS-2 Small General Service, DS-3 General Delivery Service, DS-4 Large General Delivery Service and DS-6 Temperature Sensitive Delivery Service. The Company explained that the changes were being made to reflect the consolidation of multiple Meter Charges into a single Meter Charge for each of those classes of service.

132

133 Second, Ameren proposed to eliminate language that described the Rate Limiter  
134 that applied to DS-3 and DS-4 services, since the Rate Limiter provisions for both  
135 classes of service were eliminated in January 2018.

136

137 And in the final proposed tariff change from the RDI proceeding, Ameren proposed  
138 to delete language that referred to the Basic Generation Service Rider ("Rider  
139 BGS") under Power and Energy Charges for DS-3 service. This language allowed  
140 DS-3 customers that were purchasing power and energy from Ameren under Rider  
141 BGS on May 1, 2011 to continue to receive those services through April 2014,  
142 provided that their demand level met certain criteria. Since this provision has since  
143 expired, Ameren proposed to eliminate it. (Docket No. 19-0877, ICC Staff Ex. 2.0,  
144 2-3.)

145

146 **Q. Did Staff oppose any of the tariff changes that the Company proposed in**  
147 **the RDI proceeding?**

148 A. No. The Company's proposed tariff changes essentially addressed language and  
149 provisions that were no longer applicable for Ameren's proposed meter charges in  
150 DS-2, DS-3, DS-4 and DS-6 services. These charges by voltage would no longer  
151 be applicable under Ameren's proposed consolidation of charges into a single rate  
152 for each service class. Therefore, Staff recommended that the eight revised tariff



pages presented as Ameren Exhibit 1.5, in the RDI proceeding be approved.  
(Docket No. 19-0877, ICC Staff Ex. 2.0, 2-3.)

**Q. Did any other parties to the RDI proceeding object to the tariff changes?**

A. No party objected to the Company's proposed changes in the RDI proceeding and Staff recommended the Commission approve the tariffs. Staff reviewed the proposed changes and agreed that they correctly reflected the tariff changes that are necessary for the Company's proposals. Staff recommended that the proposed tariff changes be approved in the RDI proceeding. (Ameren Illinois Company, ICC Order Docket No. 19-0877, 6 (March 4, 2020.))

**Q. Do you object to the tariff changes on Ameren Schedule E-1 that have been filed in this Docket?**

A. No, I do not object to the tariff changes that have been filed in this Docket. Ameren Schedule E-1 should be approved by the Commission. Ameren Schedule E-2 and Ameren Exhibit 8.5 are duplicate documents that show the changes in redline form.

Cost of Service Study and Rate Design

**Q. Based upon your review of the cost of service study and the rate design proposed by the Company in this proceeding, do you believe they are consistent with the cost of service study and the rate design approved by the Commission in the RDI proceeding?**

175 A. Yes.

176

177 **Q. What is the basis for your conclusion that the cost of service study and the**  
178 **rate design proposed by the Company in this proceeding are consistent with**  
179 **those approved by the Commission in the RDI proceeding?**

180 A. I reviewed the cost of service study sponsored by Company witness Jonathan O.  
181 Jackson in Ameren Schedule E-6 and summarized in Ameren Exhibits 7.1 through  
182 7.3, and determined that the Company used the same allocation methodologies in  
183 this proceeding that were used in the cost of service study approved by the  
184 Commission in the RDI proceeding.

185

186 Regarding the rate design, I reviewed Company witness Kilhoffer's testimony  
187 (Ameren Ex. 8.0) as well as Ameren Exhibits 8.1 and 8.2 and determined that the  
188 Company used the same methodologies in this proceeding to allocate revenue  
189 responsibility among the customer classes and to determine the various charges  
190 within each customer class that were used in the rate design approved by the  
191 Commission in the RDI proceeding.

192

193 These reviews led me to conclude that the cost of service study and the rate design  
194 proposed by the Company in this Docket are consistent with those approved by  
195 the Commission in the RDI proceeding.

196

197 **Q. Should the cost of service study and the rate design proposed by the**  
198 **Company in this proceeding be used to determine the authorized rates based**  
199 **on the revenue requirement approved by the Commission in this Docket?**

200 A. Yes. Following the issuance of the Commission's Final Order in this Docket, the  
201 cost of service study and the rate design proposed by the Company should be  
202 updated to reflect the revenue requirement approved by the Commission and used  
203 to determine the authorized rates.

204  
205 **Q. When will the new authorized rates become effective?**

206 A. Ms. Kilhoffer states, "The new Rate MAP-P charges will become effective on the  
207 first billing cycle of the January 2021 billing period following the Final Order in this  
208 proceeding. New Rate MAP-P tariff informational sheets with the new rates  
209 designed to produce the Commission-approved electric delivery service net  
210 revenue requirement will be provided in a compliance filing at the conclusion of  
211 this proceeding." (Ameren Ex. 8.0, 3.) I will review this compliance filing to ensure  
212 it is consistent with the Commission's Final Order in this Docket.

213  
214 **Q. Please summarize your conclusions.**

215 A. I confirm that the tariffs Ameren provides in Schedule E-1 are acceptable and  
216 comply with the Commission's Final Order in Docket No. 19-0877. I recommend  
217 the Commission accept Ameren Schedule E-1, in this Docket as tariff changes that  
218 were approved in Docket No. 19-0877.

220 I also recommend the cost of service study and the rate design proposed by the  
221 Company in this proceeding be used to determine the authorized rates based on  
222 the revenue requirement approved by the Commission in this Docket. These  
223 authorized rates should be reflected in a compliance filing within 10 days of the  
224 Final Order.

225

226 **Q. Does this conclude your prepared direct testimony?**

227 **A.** Yes, it does.